

term, subject to preliminary notice of withdrawal, this notice should be regarded as having been given.

The monetary system of Germany called for radical reform, without regard to the banking policy adopted, in order to facilitate exchanges among the German states and with foreign countries. The coins were of such different denominations and degrees of abrasion that heavy exchange charges were levied on the borders of every little state and possible profits on merchandise were almost neutralized by this loss. Several conventions to simplify the monetary system were held before the unification of the Empire, one of the latest at Vienna on January 24, 1857. The basis of an agreement was then prepared abrogating the old systems and adopting one based upon the new pound of five hundred grams which, was in use in several continental countries. Germany was divided by this convention into three zones. Silver was treated as the single standard of value and was to be coined into two forms,—the thaler, equivalent to a florin and three-quarters, and the florin, worth four-sevenths of a thaler. It was proposed to coin thirty thalers out of a pound of five hundred grams of fine silver for use in the Northern States and fifty-two and a half florins out of a pound for use in the South. Other silver pieces of one and two thalers were to be coined with special devices, under the name of the union thaler (*Veremthaler*), for trade between North and South, Germany, and were to be received by public depositories as lawful money.

Silver constituted the principal metallic stock of Germany and of the cash resources of the local banks up to the time of the monetary reform. Gold figured somewhat in the circulation, but it was not a legal tender.<sup>1</sup> The gold pieces, coined under the convention of 1857 according to mint re-

<sup>1</sup> Mr. Shaw declares that the convention in 1857 had a part of its motive in the wish by the German States "to protect that part of their currency system which was threatened by bimetallic law," and that France drew gold from Germany as well as from California and Australia as the result of the change in the ratio. —History of Currency, 205-11.